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C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 003124

SENSITIVE
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E.O. 12958: DECL: 12/11/2018
TAGS: [PGOV](#) [PTER](#) [PREL](#) [PINR](#) [KDEM](#) [IN](#)
SUBJECT: CONGRESS BRACES FOR STORMY POST-MUMBAI PARLIAMENT
SESSION

REF: A. NEW DELHI 3097
[1](#)B. NEW DELHI 3025
[1](#)C. NEW DELHI 2745

Classified By: Political Counselor Ted Osius for Reasons 1.4 (B and D)

[1](#)1. (C) Summary: The fallout from Mumbai terror attacks will dominate debate in the Indian Parliament, which reconvened on December 10. The political opposition will seek to lay the blame squarely on the Congress-led United Progressive Alliance (UPA) and accuse it of being soft on terrorism. The UPA will play aggressive defense to keep further political damage at bay. The debate will feature newly appointed Home Minister P. Chidambaram, who will present a detailed internal security "road map" to Parliament. The GOI will announce other counterterrorism initiatives. And it will counterattack, pointing to terrorist attacks during the Bharatiya Janata Party (BJP)-led government's rule in 1999-2004. While a small possibility certainly exists that the UPA government will fall in the emotionally charged post-Mumbai attacks environment, we expect it to pull through because it still has the numbers in Parliament. Its solid performance in recent state elections (Ref. A) gives the Congress Party some breathing room to fend off the opposition parties. End Summary.

Opposition Sharpening Knives

[1](#)2. (SBU) Amid slowing Economic forecasts and a profound political fall-out from the Mumbai terror attacks, India's Parliament reconvened on December 10 and got down to real business on December 11. The ruling UPA government is preparing for a fierce onslaught from the opposition parties for its failure to prevent the Mumbai carnage. The BJP and the Communist parties have already threatened to "come down hard" on the UPA. They will be joined by other opposition parties when they point to a string of terrorist attacks over the last two years - 11 in 2008 alone -- to reinforce their charge that the UPA is soft on terrorism. They will demand that the UPA accept moral responsibility for the Mumbai tragedy and denounce the government for not firing Home Minister Shivraj Patil earlier even as he repeatedly proved he was not up to the job. BJP spokesperson Mukhtar Abbas Naqvi said the party would hold the UPA government

accountable for "the security of the nation" and would seek a detailed report from the government on steps it has taken to deal with terrorism.

UPA Preparing Defense

¶3. (SBU) The UPA will have to play strong defense to limit the political damage. It will showcase its newly appointed Home Minister, P. Chidambaram, who is expected to present a detailed internal security "road map" to Parliament. It will announce a series of steps to strengthen the country's capacity to combat terror: strengthening of internal security laws to allow agencies to go after terrorists more aggressively; creation of a new central security agency to combat terrorism cases; infusion of additional resources for India security agencies; and some changes in personnel at the security agencies. The UPA is also likely to counterattack, citing the BJP's culpability for not preventing the 2001 attack on Parliament and for the deal it struck with terrorist during the IC-814 hijacking.

¶4. (SBU) The BJP has agreed to support the federal agency "in principle," but has demanded more strict anti-terror laws similar to the Prevention of Terrorism Act (POTA) that was enacted in 2001 by the former BJP-led central government, and subsequently repealed. POTA had been a point of contention for many Congress members and UPA allies, as many perceived that POTA unfairly targeted the Muslim community. Repeal of POTA was one of the first acts of the UPA government when it

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came into power in 2004.

No No-Confidence

¶5. (SBU) In the emotionally charged post-Mumbai attacks environment, the opposition parties will demand that the UPA government resign. They are threatening to call a no-confidence motion even though they do not have the votes. In any event, the UPA argues that Indian parliamentary rules do not allow a no-confidence motion during this sitting of Parliament. The UPA contends that this session is merely a continuation of July and October sessions. In its view, there can be only one no-confidence motion during a parliamentary session and this session has already had one in July. If the opposition insists on trying to go forward with a no-confidence motion, the matter will be ruled on by Speaker of the Lok Sabha Somnath Chatterjee, who is likely to effectively kill it by treating it as a breach of privilege matter which normally takes 6-12 months to decide.

Keeping the Global Economic Crisis at Bay

¶6. (SBU) Amid a global financial crisis and liquidity shortage in the domestic market, economic issues will also find some visibility in the parliamentary debate. With signs that the economy was weakening, the Prime Minister announced an economic stimulus package on December 7 that would increase government spending and ease the tax burden in some sectors of the economy. A top communist official said that the UPA's stimulus program "virtually ignores" farmers and the rural poor. Most economists already consider the current budget as a stimulus program aimed at the rural poor through the farm debt waiver program and the national rural employment guarantee program. According to political observers, the UPA would like to push through several economic reforms, such as the Bank Regulation Bill and amendments to the Forward Contracts Bill.

COMMENT: Other Parliamentary Agenda Falls by the Wayside

¶7. (SBU) The parliamentary session is expected to be

consumed by debate about the Mumbai terror attacks - the finger-pointing, the recriminations, and the political posturing ahead of the national elections. This is going to leave little room for the UPA to move forward with any measure of a substantive legislative agenda, including economic reforms measures it had hoped to pass.

COMMENT: GOI Likely to Muddle Through

18. (C) The parliamentary session will be stormy. While the possibility exists that the session will be short with the UPA deciding to adjourn quickly to avoid the pounding, we think this is unlikely because there would be a political cost to being perceived as evading parliamentary debate. There is an outside chance the UPA government will collapse from the fallout of the Mumbai attacks. While the GOI may technically be safe from a no-confidence motion due to parliamentary procedure, it will find it hard to survive if its biggest allies -- Lalu Prasad Yadav's Rashtriya Janata Dal, Tamil Nadu's Dravida Munnetra Kazhagam or Sharad Pawar's Nationalist Congress Party -- begin to flee what they think is a sinking ship. If they leave the UPA government -- and we hasten to add that there is no indication yet that any of them are considering it -- then the UPA would be reduced to a significant minority and there will be tremendous pressure on President Patil to dismiss the government, dissolve parliament and call a new parliamentary election. On balance we think the GOI will stagger through this session, especially since it now has a bit of breathing room due to its solid performance in the state elections (Ref. A). End

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Comment.

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